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ABSTRACT

The National Center for Education Statistics (NCES) forecasts that current expenditures in public elementary and secondary schools will reach $161.0 billion in school year 1988-89 in constant 1987-88 dollars. In 1987-88, current expenditures were estimated to be $156.5 billion. Current expenditures per pupil in average daily attendance are forecast to be are forecast to be $4,327 in 1988-89, compared with $4,217 in 1987-88. Current expenditures, which increased 23 percent from 1982-83 to 1987-88, after adjustment for inflation, are projected to increase 13 percent from 1987-88 to 1992-93. Current expenditures per pupil in average daily attendance are forecast to rise 9 percent from 1987-88 to 1992-93. This follows a 21 percent increase from 1982-83 to 1987-88. Technical notes discuss the methodology, forecast accuracy, and sources of data for this targeted forecast; an address where further information may be obtained is included. (MLF)

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NATIONAL CENTER FOR EDUCATION STATISTICS

Targeted Forecast

March 1989

Public Elementary and Secondary Current Expenditures: 1986-87 to 1992-93

1988-89 Current Expenditures

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The National Center for Education Statistics (NCES) forecasts that current expenditures in public elementary and secondary schools will reach $161.0 billion in school year 1988-89 in constant 1987-88 dollars. In 1987-88, current expenditures were estimated to be $156.5 billion.

Current expenditures per pupil in average daily attendance (ADA) are forecast to be $4,327 in 1988-89, compared with $4,217 in 1987-88.

5-Year Outlook

Current expenditures, which increased 23 percent from 1982-83 to 1987-88, after adjustment for inflation, are projected to increase 13 percent from 1987-88 to 1992-93.

Current expenditures per pupil in average daily attendance are forecast to rise 9 percent from 1987-88 to 1992-93. This follows a 21 percent increase from 1982-83 to 1987-88.

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Forecast

Current expenditures of public elementary and secondary schools, with forecasts: 1986-87 to 1992-93

Status of data	School year	Constant 1987-88 dollars: Total (In billions)	Constant 1987-88 dollars: Per pupil in ADA	Current dollars: Total (In billions)	Current dollars: Per pupil in ADA
Actual	1986-87	$152.7	$4,142	$146.6	$3,977
Estimate	1987-88	156.5	4,217	156.5	4,217
Forecast	1988-89	161.0	4,327	168.4	4,527
	1989-90	163.5	4,390	179.5	4,820
	1990-91	167.4	4,448	192.7	5,121
	1991-92	172.6	4,526	209.1	5,481
	1992-93	177.5	4,589	226.0	5,843

NOTE: These forecasts were prepared November 1988. Unless noted, current expenditures reported in this bulletin are in constant 1987-88 dollars.

Data Series:
TF-89-4.3

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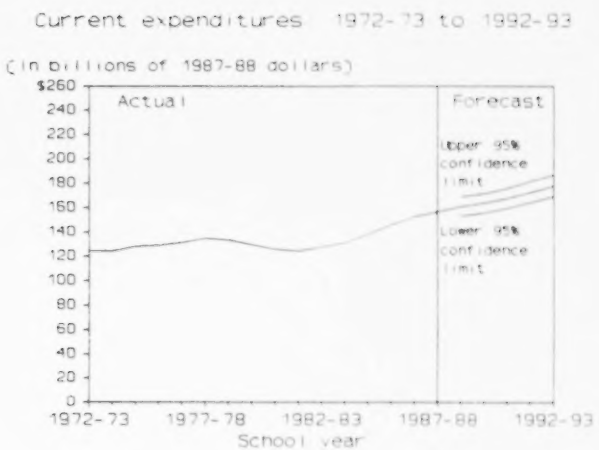

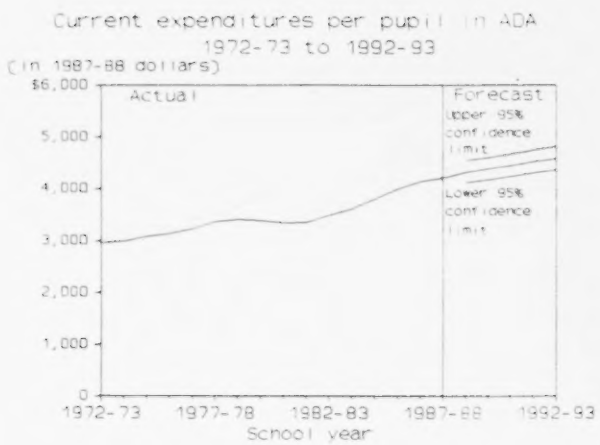

Technical Notes

Methodology

Projections of current expenditures per pupil in average daily attendance (ADA) were developed using multiple linear regression. Disposable income per capita, revenue receipts from State sources per capita, and the ratio of ADA to the population were used as independent variables. Current expenditures per pupil in ADA, disposable income per capita, and revenue receipts from State sources per capita were all in constant dollars. The forecasts for total current expenditures were determined by multiplying the forecasts for current expenditures per pupil in ADA by forecasts for ADA. Current dollar forecasts were calculated by multiplying the constant dollar forecasts by forecasts of the All Urban Consumer Price Index.

Percent changes were calculated using unrounded numbers.

For further details on the general methods used to develop these forecasts, see *Projections of Education Statistics to 1997-98.*

Forecast Accuracy

Since this is only the second time in recent years that NCES has used econometric models to forecast current expenditures, NCES has no measure of past forecast accuracy. However, confidence limits can be used to assess the adequacy of the forecasts. The narrower these limits are, the greater the confidence in the forecasts. For both total current expenditures and current expenditures per pupil in ADA, it is 95 percent sure that the actual value will fall within 5.5 percent of the forecast value for a given year. For information on the methods used to calculate these confidence limits, see *Projections of Education Statistics to 1997-98.*

Sources of Data

The 1986-87 values of current expenditures, revenue receipts from State sources, and average daily attendance and the 1987-88 value of current expenditures were obtained from the Common Core of Data survey of the U.S. Department of Education, National Center for Education Statistics. The 1987-88 values of revenue receipts from State sources and average daily attendance were obtained from the 1987-88 issue of *Estimates of School Statistics* copyrighted by the National Education Association. Disposable income per capita, the population, and the Bureau of Labor Statistics' "All Urban Consumer Price Index" were obtained from Data Resources, Inc. Because no regular survey exists for private elementary and secondary current expenditures, no forecasts based on such a survey could be made.

Acknowledgments

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